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CONSUMER ELECTRONICS ASSOCIATION CONVENTION
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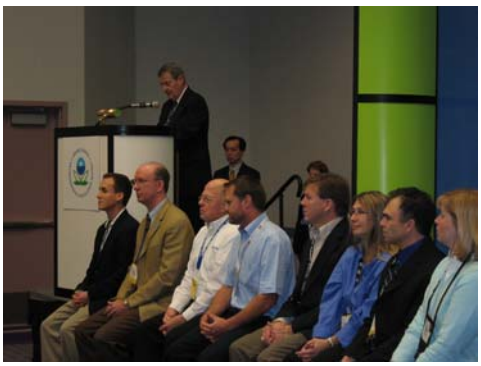

I want to thank Becky Ellis of the Consumer Electronics Association for her hard work in putting together this Green Saturday event. Every year this convention draws a huge amount of media attention, and I want to welcome the members of the media who have joined us here today. As we try to grasp the fantastic possibilities of the ongoing, innovative revolution in consumer electronics, we can't ignore the environmental risks they pose. We can't ignore the long-term economic benefits associated with recycling and reuse. So thank you all for coming.

As anyone can see by walking the convention floor, consumer electronics is all about tomorrow. If you want to know what tomorrow will look like, just visit the Las Vegas Convention Center today. The consumer electronics industry is doing as much to shape the future as any other industry in the world.

An electronics-based future fascinates us, and brings with it benefits like instantaneous communications, extraordinary access to information, and more efficient use of our time. But it is not risk free. And one of the biggest risks is related to the management of electronic products after their useful life is over. What are we going to do with all the cell phones and computers and TVs when they get pushed out of our homes and businesses by the new products we can see on the convention floor today?

The safe management of America's waste is part of my job at EPA, and that's the reason I'm here in Las Vegas. Electronic wastes are a relative newcomer to our waste stream, but their contribution is growing dramatically. We have to do something about it.

Thirty years ago, when EPA first got into the waste management business, we emphasized the safe, environmentally responsible disposal of waste. We wanted to make sure

that our options for waste disposal, like landfills and incineration, did not pose undue risks to public health or the environment. We're still committed to ensuring that all wastes are managed responsibly, and we always will be.

But that's not the end of the story. For a number of reasons, both economic and environmental, there is great value in shrinking the waste stream so it doesn't need to be disposed of at all. In other words, we've learned the importance of managing material streams instead of waste streams.

We can manage those material streams in many ways. For example, we can use input materials more efficiently, so less waste is generated during manufacture. The most obvious example here is energy. The more efficiently we use energy, the less pollution comes out the exhaust. Or we can recycle materials when their useful life has ended, so less is sent to the landfill or incinerator.

Materials recycling, in fact, gives a whole new meaning to the term "useful life." An individual cell phone may have a "useful life" of only a few years, but the materials within it may have a "useful life" that extends indefinitely.

Recycling and reuse is not the end of the story, either. As recyclers will tell you, electronics recycling is complicated by the way products are designed and manufactured, and by the way different potentially recyclable materials are built into different products. In other words, because electronic products generally are not designed with recycling/reuse in mind, it's more difficult to shrink that waste stream, or manage it.

Ultimately, we should all be shooting for one, simple goal: designing and manufacturing electronic products so the use of hazardous materials is minimized, the energy needed to run those products is minimized, and the product is easily disassembled for recycling and reuse.

Over the past several years, we've made substantial progress toward that end, and not just in electronics. At EPA, we're putting much more emphasis on recycling and reuse across all waste streams. Our regulation-writing job is almost completed. Our environmentally-protective waste management system is largely in place. Now we're moving on to the next phase: working cooperatively with private businesses to identify new ways of reusing old wastes.

The future of waste management is materials management. And the future begins today.

Look at our work with the electronics industry for a good example of what that future will look like. Over the past decade, EPA's Energy Star has become a well-respected, widely-known brand name that denotes top-notch energy efficiency. Through the hard work of partners like Panasonic, Philips Electronics, Hewlett-Packard, NEC, Intel, and Ricoh, the Energy Star label is now attached to a wide range of consumer products like computers, TVs, and office equipment.

Today, I am pleased to announce that Energy Star is adding external power supplies to its list of energy-efficient products available to consumers. These devices, also known as power adapters and battery chargers, are used to power cell phones, PDAs, digital cameras, and many other products showcased on the convention floor. Through improved design, Energy Star adapters are, on average, 35 percent more efficient than standard models.

So far, the following manufacturers have agreed to produce high-efficiency EPSs, or use them in their finished products: Phihong, Lite On, Delta, Bias Power Technology, Hewlett-Packard, Samsung, and Panasonic. My thanks to all of you. Representatives from those companies are here today, displaying some of these new products, and they are available to answer any of your questions

By the way, in developing Energy Star specifications for external power supplies, EPA collaborated with governments around the world, most notably in Australia, China, and Europe. Given that external power supplies are manufactured and used globally, cutting their energy use will provide worldwide environmental benefits.

I'm also pleased to announce that we're developing a new tool called EPEAT, an Electronic Products Environmental Assessment Tool. Over the past year EPA worked with several electronics manufacturers to develop this rating system, which will help big institutional purchasers identify "green" electronics. When EPEAT is put into use this year, it will encourage better product design, so the materials in consumer electronics are easier to recycle and reuse.

During the past year we also tested our Federal Electronics Challenge. The Challenge calls on federal agencies to purchase, use, and dispose of electronics in an environmentally responsible way. This Challenge is an important step, because federal agencies now buy almost $60 billion worth of electronics every year. So far, 80 percent of federal agency purchasing

power has signed on to meet the Challenge.

Now I want to publicly recognize some of the actions being taken by the private sector – electronics manufacturers, retailers, and recyclers – who are partners in EPA's Plug-In to eCycling. To me, this is the big news today – the private sector taking responsibility for recycling their products at end-of-life. Plug-In now has 19 partners – top industry leaders – and we expect even more out of them next year.

Just two days ago, eBay became our newest Plug-In partner, when they announced a new program to connect their 125 million website users to electronics recycling options. I'd like to recognize Patrick Gabad, Director of Computers and Networking at eBay.

Over the past year, our partners have done some remarkably good work. So today I want to describe their projects, and hand out a special award for their accomplishments. In the interests of saving time, I'm going to describe each project, and then ask the corporate representatives to raise your hands so the media reps can see who you are in case they want to talk to you later this morning. After my remarks, I'll meet with each of you individually to present the award and take photos, if you wish.

Last year at the Consumer Electronics convention, we launched four pilots to test how retailers, manufacturers, and government could jointly provide e-cycling opportunities to consumers. Here are the results of those pilots.

Two of our Plug-In partners, **Hewlett-Packard** and **Office Depot**, worked together to offer free in-store take-back of consumer electronics in all 850 Office Depot stores. This resulted in 10.5 millions pounds of electronics collected. I'd like to recognize Renee St. Denis, Director of Product Recycling Services at Hewlett-Packard, and Tyler Elm, Director of Environmental Affairs at Office Depot. I understand that Mr. Elm is not present today, and Robert Dunlap is here on his behalf.

Plug-In partner **Staples** tested a reverse-distribution system, where delivery trucks took back old electronics after dropping off new products. Staples, the Product Stewardship Institute, and 10 partnering manufacturers recycled over 115,000 pounds of unwanted electronics. I would like to recognize Mark Buckley, Vice President of Environmental Affairs at Staples, and Scott Cassell, Director of the Product Stewardship Institute, even though neither of them could be here

today.

The **Good Guys** pilot tested in-store take-back in 4 retail locations in the Pacific Northwest in partnership with local governments, JVC, Sony, Sharp, Pioneer, Philips Electronics, and Samsung. Over 4,000 TVs were collected -- double the expected number. I would like to thank Karen Lorentson, Senior Director of Marketing and Advertising at Good Guys; Sego Jackson, Municipal Planner for Snohomish County's Sold Waste Division; and Butch Teglas from Philips. I would also like to recognize Lisa Stepanski from King County's Solid Waste Division, and Scott Klag, Senior Planner at Portland, Oregon's Solid Waste and Recycling Division, neither of whom could be here today.

In Minnesota, **Best Buy** and **Target** participated in a pilot project collecting used electronics in retail stores. Through their combined efforts with local recyclers, over 350,000 pounds of old electronics were collected in store parking lots at 6 events throughout Minnesota. I would like to recognize Paula Prahl, Vice President of Government Affairs at Best Buy. I would also like to recognize Garth Hickle of the Minnesota Office of Environmental Assistance, and Pat Perry, Environmental Services Manager at Target, who could not be present today.

Now I'd like to honor some of our individual partners for the great work they've done to manage discarded electronics this past year.

AT&T Wireless, now **Cingular,** collected over 450,000 pounds of mobile phones, batteries, PDAs, and accessories for reuse, resale, and recycling through its pickup and drop-off programs. They provided a free "take-back program" for mobile phones, batteries, PDAs, and accessories at over 1200 retail store locations. I'd like to recognize Liz McClesky, Director of Environment Health and Safety at Cingular.

Best Buy collected more than 750,000 pounds of unwanted electronics in its fourth season of recycling events. Since 2001, Best Buy has helped consumers recycle two million pounds of electronics at these events. Best Buy has a permanent recycling station in every Best Buy store in North America. Best Buy also collects old, used television sets from consumers when they deliver new sets to their homes. These collections accounted for the recycling of over three million pounds of electronics in 2004. Once again, thanks to Paula Prahl of Best Buy.

Dell, Inc. helped train more than 225municipal and non-profit recycling coordinators

through workshops and teleconferences. Dell's two events and 34 grants enabled the collection of more than 1,500 tons -- that's 3 million pounds -- of unwanted computer equipment. This year Dell announced it would recycle more than 18,000 obsolete computers for the Chicago Public Schools. Dell also launched a one-year pilot with Goodwill Industries and the city of Austin to provide, at no charge, computer recycling for citizens of central Texas. Dell offers free recycling with purchase of CPUs, monitors, and laptops. I'd like to recognize Verancio Figueroa, Public Relations Manager at Dell.

Hewlett-Packard deserves special recognition for recycling over 9 million pounds of products every month. HP is now seeking to close the loop on the product lifecycle by using recycled materials in some new products. Five HP scanners now on the market contain recycled material recovered from end-of-life HP products. More than 1000 different HP products are ENERGY STAR qualified, including the majority of its printing and imaging products. I like to recognize Rene St. Denis, Director of Product Recycling Services at Hewlett-Packard.

Intel sponsored or supported seven recycling events that collected over 357,000 pounds of electronics, mainly PCs, associated equipment, and TVs. In addition to its recycling efforts, in 2004 Intel received the EPA Energy Star award for its work on improving power supply energy efficiency. Intel also was ranked #1 by EPA on its annual list of "Best Workplaces for Commuters," because of its ambitious telecommuting program. I'd like to recognize Allen Wilson, Program Manager, Sustainability Group, at Intel.

JVC supported the collection and recycling of over 145,000 pounds of its own product from 504 events and permanent drop off sites in 12 states. I'd like to recognize David Kline of JVC.

Lexmark collected 5800 pounds of electronics during an internal electronics collection event open to all employees. The inkjet cartridge program allows anyone in the US with a used inkjet cartridge to request a prepaid mailing bag for returning the cartridge to Lexmark for recycling. I'd like to recognize Matthew Russell, Product Recycling Program Manager at Lexmark.

Panasonic helped underwrite more than 300 collection events in 2004 that diverted more than 5.6 million end-of-life products from the waste stream. I also want to congratulate

Panasonic for receiving the Best of Innovations for Eco-Design for their new SD Video Camera. I'd like to recognize David Thompson, Director of the Corporate Environmental Department at Panasonic.

Sharp sponsored 130 events where an estimated 2.7 million pounds of electronic products were collected and recycled. Sharp also has begun to incorporate design changes that will eliminate lead solder in its products. I'd like to recognize Frank Marella, Senior Manager of Corporate Environmental Affairs for Sharp.

Sony helped sponsor 394 events in 13 states where 3000 Sony CRT devices and 95.6 thousand pounds of Sony branded products were collected. I'd like to recognize Doug Smith, Director of Corporate Environmental Affairs at Sony.

I also want to congratulate many of you in industry for signing on to the **Electronics Green Covenant**, which is being unveiled here. This effort will commit electronics manufacturers and distributors to environmental progress at every stage in the life cycle of electronic consumer products. Achievements under this covenant will be collected and aggregated by an independent third party, and the results will be published. The founding members of the Electronics Green Covenant include Brother, Canon, Casio, Epson, JVC, Kyocera, Panasonic, Sanyo, Sharp, Toshiba, and Thomson. Congratulations to all of you.

Finally, I want to send a special thank you to the **Collective Good Foundation** for recognizing the importance of electronics recycling and reuse. The Collective Good Foundation has given Linda Hudson the Pioneer in Effective Curriculum Award for excellence in middle school curriculum development. Ms. Hudson teaches fifth graders at the Alexander Dawson School right here in Las Vegas. Her students collect and recycle hand-held electronics. Over a 4-year span, 135 fifth graders recycled almost 8,000 cell phones.

What a great lesson for the grown-ups. Managing the electronics material stream is not a job for government alone, or business alone, or consumers alone, or even fifth graders alone. All of us enjoy the benefits of electronics. And all of us have to work together to minimize their environmental effects. Congratulations to Ms. Hudson and her fifth graders for a job well done.